

Receivership Training Seminar UMass Center Springfield, MA

June 7, 2017



38 Leyfred Terrace, Springfield, MA
Before and After

Welcome!



The Honorable Dominic J. Sarno
Mayor of the City of Springfield, MA

A View From the Bench



The Honorable Dina E. Fein,
First Justice, Western Division Housing Court

The Receivership Application Process

Michael Doherty
First Assistance Clerk Magistrate
Western Division Housing Court

michael.doherty@jud.state.ma.us

413-748-7838



Introduction & Overview of Receiverships

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Associate City Solicitor

City of Springfield, MA

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413-750-2264

What is a Receivership?

A Receivership occurs when the Court appoints a qualified individual or entity to take control of a troubled property and bring it into compliance with the State Sanitary Code. Receiverships are governed by M.G.L. c. 111, Sect. 127I



17 Sheridan Lane, Springfield, MA

Statutes and Standards

- Receiverships are derived from the general equity powers of the Court under M.G.L. Chapter 214, section 1 and Chapter 185C, sections 2 and 3.
- The conditions needed for appointment and the operating parameters of a Receivership are included in M.G.L. c. 111 § 127I.
- State Sanitary Code, Chapter II: 105 CMR 410.000: Minimum Standards of Fitness for Human Habitation



184-186 Northampton Ave., Springfield, MA

MGL c. 111 sec. 127I

- Receiver must furnish a bond and provide proof of liability insurance
- Receiver must promptly repair the property and maintain it in a safe and healthful condition
- Receiver has full power to borrow funds, grant security interests or liens
- Receiver may enter into contracts
- Receiver is not subject to public bidding laws

MGL c. 111 sec. 127I

- Receiver shall have a priority lien over all other liens EXCEPT municipal liens.
- Lien is not effective unless recorded with the Registry of Deeds.



Before

82 Temple Street



After

MGL c. 111 sec. 127I

- Receiver is authorized to collect rents
- Receiver may charge for necessary expenses of operation, maintenance and management of the property.
- Receiver shall be liable for injuries to persons and property, but such liability is limited to the assets and income of receivership
- Receiver cannot be held personally liable
- Receiver must file bimonthly reports detailing a full accounting of all funds received by and owed to the Receiver.

Receivership as a Tool

- Receivership can expedite a community's intervention when a property poses a hazard because it has been abandoned and/or when tenants are at risk. Ideally it is part of a municipality's overall housing strategy and used only when all other efforts to secure the owner's cooperation have failed.



Before

127 St. James Ave



After

City of Springfield, Massachusetts

Receivers Appointed

2010 = 17

2011 = 25

2012 = 34

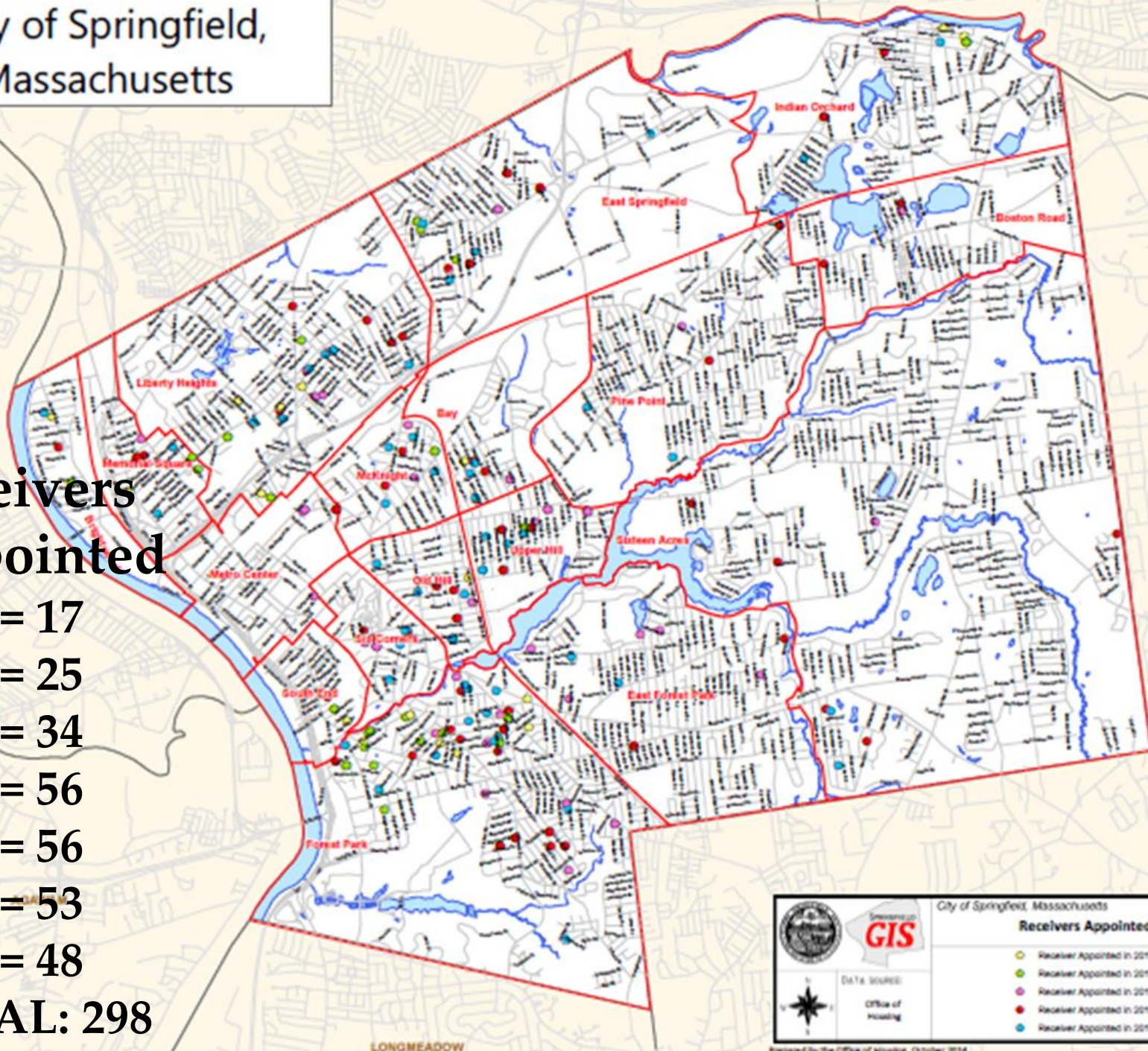
2013 = 56

2014 = 56

2015 = 53

2016 = 48

TOTAL: 298



Receivership and Code Enforcement

Step 1: Enforcing the State Sanitary Code

- Towns/Cities should first start an enforcement action by citing the property under 105 CMR 410.000 et seq. : Minimum Standards of Fitness for Human Habitation (State Sanitary Code, Chapter II)
- In Massachusetts, the State Sanitary Code governs what it means to provide a habitable place in which to live. In general, “habitable” means a place that is comfortable and clean enough for a person to live safely.

The State Sanitary Code

105 CMR 410.480 and 410.500 et seq.:

Maintaining Structural Elements & Security of a dwelling

- The owner of a property is responsible for insuring that the foundation, floors, walls, doors, windows, ceilings, roof, staircases, porches, chimney and other structural elements of the dwelling do not admit rain or snow and that they are rodent-proof, watertight, in good repair and fit for the intended use.
- All dwellings must be secured against unlawful entry

Receivership and Code Enforcement

Step 2: Cite the Property & Owner

- Upon any request, the board of health and/or Code Enforcement is required to initiate and complete an investigation within a time frame (dependent upon the nature of the violation) not exceeding five days.
- The board of health and/or Code Enforcement may order a dwelling or dwelling unit condemned and vacated if, as a result of an inspection, it is determined that the unit or any portion of it is unfit for human habitation

Receivership and Code Enforcement

- Board of Health and/or Code Enforcement
Inspectors must use a standardized inspection form that shall include:
 - Inspector's Name
 - Inspection Date and Time
 - Location of Inspection
 - Date and Time of Additional Inspections
 - Description of violation
 - Specific reference to the State Sanitary Code
 - Inspector's statement of whether or not the violation appears to endanger the safety and health of the occupants
 - Signed under the pains and penalties of perjury
 - Signature of inspector
 - Brief summary of the legal remedies available to the occupants and owner

75 Surrey Road: Before



75 Surrey Road: After



Receivership and Code Enforcement

Step 3: Set a Time Table for Compliance

- An effort to correct any violations of Chapter II of the Sanitary Code must be made within a specific time period which is dependent upon the nature of the violation
- All affected tenants shall receive written copies of all inspection reports and orders sent to the owner
- Set up a reinspection to determine compliance with the violation letter

Receivership and Code Enforcement

Step 4: File a Petition to Enforce the State Sanitary Code



Before

48-50 Leyfred Terrace



After

Determining the owner of a distressed property

- Conduct a Title Run-Down to determine the legal owner of the property in question
 - Assessor's Information
 - GIS information
 - Registry of Deeds
 - Subscribe to an "Advanced Person Search" Program
- Is the owner an individual, corporation or trust?
 - MA Secretary of State Page
 - Read the recorded Trust Document to determine Trustees
- Is the owner Deceased?
 - Search for obituaries
 - Search probate court

Determining Lienholders

- Who are the lienholders?
 - Check the Registry of Deeds
 - Check the FDIC website
 - Check the MA Secretary of State Website
 - Google it!



Before

82 Belmont Avenue



After

File Edit View Favorites Tools Help


Page Safety Tools

82 BELMONT AV

Search Results

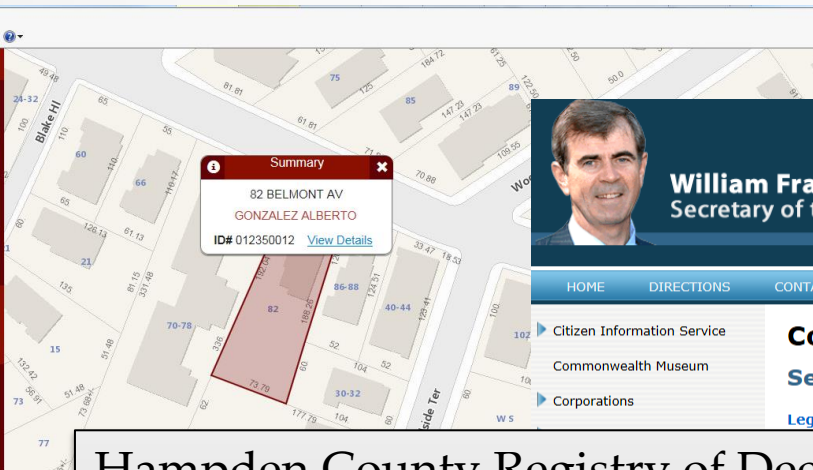
Parcel Details

82 BELMONT AV



GONZALEZ ALBERTO
82 BELMONT AVE
SPRINGFIELD, MA 01108
ID# 012350012
Land Area (SqFt): 11,946
Assessed Value: \$173,800

Links Abutters




William Francis Galvin
Secretary of the Commonwealth of Massachusetts



HOME DIRECTIONS CONTACT US

Search the Secretary's website Search

Citizen Information Service
Commonwealth Museum
Corporations

Corporations Division
Search for a business entity
Legal Information, Disclaimers, Policies Search assistance...

LexisNexis® | Accurant® for Go

MY ACCURANT

PEOPLE

PHONES

ASSETS

Advanced Person Search

Last Name

☐ Include similar-sounding
☐ Include Full Address History

DOB

Street Address

ZIP Code Radius (mi)

Show Additional Subjects

Hampden County Registry of Deeds:

<http://www.registryofdeeds.co.hampden.ma.us/>

[FDIC: https://research.fdic.gov/bankfind/](https://research.fdic.gov/bankfind/)

[MA Secretary of the Commonwealth Corp. Search:](http://corp.sec.state.ma.us/corpweb/corpsearch/CorpSearch.aspx)

<http://corp.sec.state.ma.us/corpweb/corpsearch/CorpSearch.aspx>

[Probate Court and Housing Court Search:](https://www.masscourts.org/eservices/home.page.2)

<https://www.masscourts.org/eservices/home.page.2>

[Springfield Republican Obituary Search:](http://obits.masslive.com/obituaries/masslive/)

<http://obits.masslive.com/obituaries/masslive/>

Massachusetts Trial Court Electronic Case Access

Home Search

Links

Land Court Reports
Email a Question
Feedback Survey
Detailed Instructions

Search

Select your search criteria below. Fields marked with * are required.

Court Department * Probate and Family Court Court Division * Hampden County Probate and Family Court

Number of Results * 25

Name Case Type Case Number Ticket/Citation #


Last Name * First Name * Middle Name

Case Type All Cases
Change of Name Management
DR Custody, Support, and
Domestic Relations

Division of Secretary of the Commonwealth of Massachusetts
William Francis Galvin

Hampden County Registry of Deeds

Donald E. Ashe



Don't make these mistakes!

- Check to see if the owner is in bankruptcy
- What are the taxes owed?
- Is the owner deceased?
- Triple check your lienholders and their addresses!
- Assessed use vs. permissible zoning use?
- Are you able to document the history of non-compliance with the state sanitary code in order to prove that violations will not be promptly remedied unless a receiver is appointed
- Are you able to document notice and service to all required owners/lienholders/heirs?
- Are there any restrictions on the deed?

Petition to Enforce the State Sanitary Code

- File your petition to enforce the State Sanitary Code
- Name the owner, tenants and lienholders as defendants
- File a motion to for service by publication if you cannot obtain service on the owner
- File a motion requesting the court to order the owner to correct the violations of the State Sanitary Code
- If the property is still not in compliance; file your motion to appoint a receiver to the property.

Motion to Appoint a Receiver

- Pursuant to MGL c. 111 sec. 127I the petitioner must give the lienholders 14 days notice of the hearing requesting the appointment of a receiver
- You must send a copy of the motion and affidavit to the lienholder/mortgagee by certified or registered mail along with a copy of the petition.
- Identify a potential receiver
 - After you file your motion to appoint a receiver contact the Western Division Housing Court for the list of court approved potential receivers.

Dissolution of Receivership

- The Receiver is a product of the Court, and as such, the Court may dissolve a Receivership upon a showing of...
 1. A failure by the Receiver to diligently correct violations and bring the property into compliance with the State Sanitary Code;
 2. If dissolution is in the best interests of the occupants and/or immediate surrounding community;
 3. At the request of the receiver by motion before the Court
 4. If all violations having been sufficiently addressed and the lien has been satisfied via a foreclosure auction or sale.
 5. A lienholder and/or owner may also petition the Court to dissolve a Receivership at any time.

After Receiver is Appointed

- Inspections both before and during the receivership
- Reviewing Reports and Rehabilitation Plans
- Advertising the Auction
- Encouraging MLS listings/1st time homebuyers
- Set up a network within your town or city regarding receivership appointments and housing strategies
- Keep the file on track!

42 Talmadge Drive: Before



42 Talmadge Drive: After



MY CLIENT HAS BEEN APPOINTED RECEIVER, NOW WHAT?

Attorney Katharine Higgins-Shea

Lyon & Fitzpatrick, LLP

khigginshea@lyonfitzpatrick.com

413-536-4000

June 7, 2017

Read the Order!!!



- ▣ This Order includes all the required steps to get this receivership off the ground and running—title examination, recording the order, insurance, posting the property, reports, etc.
- ▣ It also includes deadlines for filing the Receiver's Motion to Approve the Rehab Plan and first Receiver's Report as well as a due date to provide proof of insurance coverage to the Court.

66 Stockman Street: Before



66
Stockman
Street:
After



Title Examination

- ▣ The Order appointing Receiver requires the Receiver to conduct a title examination and send a copy of the Order to all mortgagees and lienors of record.
 - Get it done early!
 - Make sure the Defendant owner's name matches the deed
 - Serve the Order on the parties as required
 - Proper notice
 - What if I encounter an Ibanaez issue or a title defect



Taxes

- ▣ The Order Appointing Receiver also requires that the Receiver determine what outstanding real estate taxes are due
- ▣ Include tax information in the first report
- ▣ Municipal liens have priority over the Receiver's lien
- ▣ Remember, interest continues to accrue on unpaid taxes and that balance can add up quickly



168 Redlands Street: Before



168 Redlands Street: After



Record the Order appointing Receiver

- ▣ The Order appointing Receiver must be recorded in the Registry of Deeds.
- ▣ “No such lien shall be effective unless recorded in the registry for the county in which the property is located.” G. L. c. 111, s. 127I
- ▣ Record as soon as possible to protect your client's interests!
 - Request a certified copy of the order - \$20.00 from the Clerk's Office
 - Record- \$75.00 at the Registry of Deeds.

Insurance

- ▣ Order requires that the receiver put general liability insurance in an amount consistent with industry standards on the property and casualty loss insurance
- ▣ The cost of insurance is part of your lien
- ▣ Protect your investment
- ▣ Order requires that you provide proof that the property is insured to the court



368 Roosevelt Ave: Before



368 Roosevelt Ave: After



Can the Receiver Borrow Money?

- ▣ YES, but before borrowing, consider not only the amount and interest rate but the timing for repayment
- ▣ “The receiver shall have full power to borrow funds and to grant security interests or liens on the affected property” G. L. c. 111, s. 127I.
- ▣ Best practice- file a Motion to Approve Borrowing the Funds before your client signs on the dotted line

Lead Paint Law Violations at the Property?

- ▣ If lead paint abatement work is necessary or required, it should be included in the proposed rehabilitation plan for the court's consideration



Owner is deceased at the time of appointment?

- ▣ Check to see if an heir of the deceased owner filed a petition with the Probate Court in the county where the owner died or lived.
- ▣ If no probate filed, your client, as a creditor of the deceased owner, may have to file a petition with the probate court to establish intestacy and determine heirs
- ▣ If notice and service is not proper, a title issue may arise when you auction the property.
- ▣ It is always worth running the situation by the title insurance company you intend to use as they may have requirements involving the question of the owner before insurance would issue post-auction.

REHABILITATION PLANS

Roger J. Roberge II
RR and Company Realty, LLC.
June 7, 2017

Overview of Topics

- ▣ Objective of the Rehab Plan - What do you need to convey?
- ▣ Contents of the Rehab Plan - What's in a complete plan?
- ▣ Sample Plan Review - Handout

Objective

The Goal of the Rehab Plan

- ▣ Provide enough information for all involved parties, and key decision makers.
- ▣ Clarity, Accountability, Track ability
- ▣ Demonstrate competency and professionalism

Content

What should a Rehab Plan cover?

- ▣ Existing Conditions
- ▣ Narrative Summary, Photos, Details as necessary
- ▣ Scope of Work
- ▣ Narrative Summary, Include What, Why, How
- ▣ Cost Estimating
- ▣ Management and/or Maintenance Fees
- ▣ Best guess, with a reasonable contingency
- ▣ Timelines
- ▣ The When

SAMPLE PLAN REVIEW AND QUESTION

- See Handout

Supporting Documentation

Include Pictures

LML Construction, Inc.
608 Long Plain Rd.
Leverett, MA 01054
413-665-3788

Estimate

Date	Estimate #
10/23/2014	674

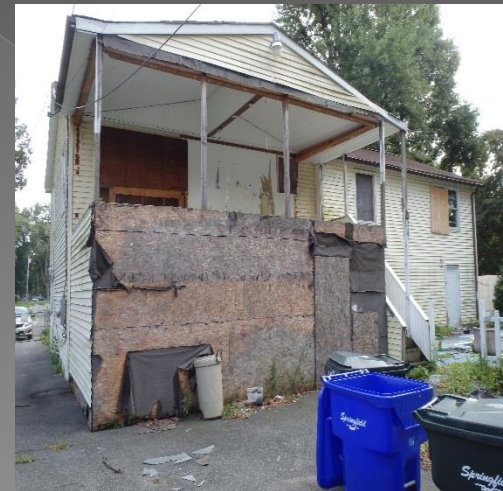
Name / Address
Troy Winters

Description	Qty	Cost	Total
1-46-148 Montague Rd., Leverett Call necessary permit Pump, install and remove existing septic tank Install 1000gal/2 compartment 2 piece septic tank Install 1500 gal. pump chamber manifold with pump and electrical from tank to pool in house with alarm Fill approx. 450 cu. yds. Install backfield to plant hoses, seed, fertilizer and lay mulch disturbed areas		35,260.00	35,260.00
1/2 payment before work begins 1/2 payment upon completion			
Subtotal			\$35,260.00
Sales Tax (6.25%)			\$6.00
Total			\$35,266.00

**ANY LEGGE OR ROCKS OVER 1 CU.YDS WILL
BE REMOVED AT AN ADDITIONAL COST TO THE
CLIENT

E-mail
lml@wildblue.net

Signature _____



834 Worthington Street: Before



834 Worthington Street: After





Receivership Reports and Court Reviews

Assistant City Solicitor Paul Payer

City of Holyoke, MA

payerp@holyoke.org

413-322-5580

How to write a Receiver Report

- Pursuant to the Western Division Housing Court's Order for Appointment of a Receiver the following **MUST** be provided in all reports **every eight (8) weeks**
 - List all expenses and disbursements of the Receivership
 - Attach all receipts, and an accounting of all funds
 - List of all tenants/occupants and the status of their rent payments to date and funds from other sources.



- Receiver shall file periodic reports with the Court, setting forth all expenses and disbursements of the Receivership

Profit and Loss Receivership

Laurel 27-29

Period 06/16/14 - 09/03/14 (Accrual basis)

	Report Date 6/16/2014 - 9/3/2014	Total Project
INCOME		
1243 Owed from Receivership		
1243 Total Owed from Receivership	\$0.00	\$0.00
TOTAL INCOME	\$0.00	\$0.00
EXPENSE		
1243 Owed from Receivership		
1253 Receivership Materials/Supplies		
1275 Receivership Materials	\$4,717.08	\$4,717.08
1253 Total Receivership Materials/Supplies	\$4,717.08	\$4,717.08
1255 Receivership Utilities		
1259 Receivership Garbage	\$739.80	\$739.80
1255 Total Receivership Utilities	\$739.80	\$739.80
1260 Receivership Repairs		
1269 Receivership Subcontractor-Maintenance	\$58,306.22	\$58,306.22
1260 Total Receivership Repairs	\$58,306.22	\$58,306.22
1263 Receivership Maintenance		
1261 Receivership Landscaping	\$0.00	\$350.00
1263 Total Receivership Maintenance	\$0.00	\$350.00
1377 Receivership Administrative		
1266 Receivership Administrative	\$300.00	\$300.00
1267 Receivership Billed Time	\$1,423.75	\$2,323.75
1377 Total Receivership Administrative	\$1,723.75	\$2,623.75
1378 Receivership Professional		
1249 Receivership Management Fee	\$570.00	\$570.00
1252 Receivership Atty Fees	\$861.75	\$861.75
1389 Receivership Construction Mgmt Fee	\$6,376.31	\$6,376.31
1378 Total Receivership Professional	\$7,808.06	\$7,808.06
1381 Receivership Misc Costs		
1250 Receivership Insurance	\$1,178.00	\$1,178.00
1381 Total Receivership Misc Costs	\$1,178.00	\$1,178.00
1243 Total Owed from Receivership	\$74,472.91	\$75,722.91
TOTAL EXPENSE	\$74,472.91	\$75,722.91

Report Total	Project Total
\$74,472.91	\$75,722.91

RECEIVER REPORTS

- Receiver shall attached all receipts, and an accounting of all funds received by the Receiver during the period covered by such report
- You cannot bill for tools but you can bill for consumables.

LOWE'S
NEVER STOP IMPROVING
LOWE'S HOME CENTERS, INC.
305 STONERIDGE DRIVE NORTH
RUCKERSVILLE, VA 22968 (434) 992-2000

- SALE -
SALES#: 526285C2 1675928 TRANS#: 2451947 05-19-12

QTY	DESCRIPTION	PRICE	AMOUNT
12229 23/32 80 PINE ULX EXTERIO			31.97
12192 15/32*4408 3 PLY SHOTG 32/			52.41
3 Q			17.47
12246 3/8"X4"XB' RATED SHEATHIN			14.17
SUBTOTAL:			95.95
TAX:			4.90
INVOICE TOTAL:			100.85
VISA:			100.85

VISA:XXXXXXXXXX AMOUNT:100.85 AUTHCD:00229C
SHIPPED REFID:451967262002 05/19/12 14:25:07
STORE: 2828 TERMINAL: 02 05/19/12 14:26:17
OF ITEMS PURCHASED: 5

ACE STEWART LUMBER & HARDWARE CO.
Hardware

Customer's Order No. _____ Date _____ 20____
Name _____
Address _____

QUANTITY	DESCRIPTION	PRICE	AMOUNT
PAID			
OCT - 5 2011			
prepaid amount			
TOTAL			

Rec'd by _____



BEAVER LUMBER COMPANY LIMITED
STATEMENT OF ACCOUNT

INVESTMENT
QUALITY
AND SERVICE

E. Simpson,
Box 316,
Shelburne, Sask.

9-21 20000000
303

PLEASE RETURN TO THE COMPANY WITHIN THE PERIOD WITHIN YOUR PAYMENT TO THE FINANCIAL INSTITUTION

DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
2011-05				
		45.67	107.78	153.41

BEAVER LUMBER COMPANY LIMITED

Burger King #4509

BURGER KING

WHOPPER
PROMO SM FRY

SUBTOTAL 2.00

Receiver Reports: RENTAL RECEIPTS

Report must include a list of all tenants/occupants residing at the Property and the status of their rent payments to date and funds from other sources.

The image displays three identical 'RENT RECEIPT' forms stacked vertically. Each form features a header with a house icon and the title 'RENT RECEIPT'. Below the header, there are fields for 'DATE' and 'RENTAL UNIT'. The main body of the form includes a section for 'AMOUNT' with a dollar sign and a line for the amount, and a section for 'CHECK #'. To the right of these fields, there are lines for 'REMARKS' and 'RENTAL UNIT'. The forms are separated by dashed lines.

Receiver Reports: NARRATIVES

NARRATIVE: a short description of the events that have taken place and will take place in the receivership

1. Description of the property.

- Before and After photos are a great way to illustrate your work both for the Court and all parties involved

2. Progress Report

1. What rehabilitation work have you completed and/or started since you were last in court?
2. What rehabilitation work will you complete in the next 30/60 days?
3. If all goes as planned, what is your estimated completion date for the rehabilitation of the property?
 - Has your completion date been delayed? Why?

3. Concise statement of lien amount

- Breakdown by: (1) previous reporting period, (2) current reporting period, and (3) total asserted lien amount as of report date.

Receiver Reports: Description of Property



Property Condition Overview - This property is a 2 Family Home built in approx. 1920. The home is currently vacant and seems to have been that way for 2+ years. The plumbing is missing and the mechanicals are not in operational shape. The exterior has vinyl siding missing and all the windows have been boarded up to prevent break ins.

Exterior - The exterior is vinyl siding that is missing in spots and needs to be matched in order to be replaced. The windows are all original to the house and will need to be replaced with vinyl replacement windows. The porches show signs of neglect and will need to be addressed once the boards are down. The handrails will need to be installed at proper heights for all steps. The roof is in good condition on the main portion, but will need to be replaced on the porch areas.

Interior - The interior of the home shows major neglect and will need all surfaces (walls, ceilings, doors, trim) painted. The interior will also need to be deep cleaned and the floors will need to be replaced.

Receiver Reports: Progress Report

Provide description of (1) work completed during report period, (2) work anticipated for next thirty (30) days, and (3) work anticipated to be complete within sixty (60) days of report.

Remember to include estimated date of project completion and provide explanation for any delay (or early completion).

Summary of Work : 157-159 Oak Street, Holyoke MA
Reporting Period: 11/22/2016 – 1/13/2017

Completed: The garage roof has been stripped and replaced in order to prevent the elements from entering. The power has been reconnected to the property and turned on. Holyoke Gas & Electric has installed a new gas line to the property and the HVAC system duct work is being fabricated. We have also stripped the property of all trim due to lead.

30 Days Out: We plan to have all the trim replaced, HVAC installed completely. A plumber will be hired to run new gas lines to the furnaces so the property can be properly heated.

60 Days Out: We will continue on interior construction of the property.

Receiver Reports: Dates & Lien Amounts

- It is very important to ALWAYS mark your reports to clearly identify the applicable **reporting period**.
- You should also clearly mark in the beginning of your report what your **TOTAL LIEN** is to date in the following format:

Receiver Report for : 460 Race Street, Holyoke, MA reporting period of 3/10/2017 - 4/12/2017	
Total Lien as of last reporting period ending 3/10/2017	\$5,000
Total Lien for reporting period 3/10/2017 -4/12/2017	\$12,000
Total Asserted Lien as of 4/12/2017	\$17,000

Work Preformed & Costs:

Attached, invoice #19772 describes the actions and costs to date which include:

1. Cleanup of leaves and debris from yard
2. Replace electrical service, circuit breaker panel and rough wiring inside
3. Restore electricity
4. Comprehensive lead paint testing
5. Begin interior work including stripping wallpaper and patching walls
6. Removing old carpet and kitchen flooring
7. Gutting 1st floor bathroom
8. Building permit has been issued
9. Snow shoveling & routine maintenance

Ongoing Work:

The renovations are generally progressing according to plan. An updated time frame is presented below which extends our projected completion date 1 month.

4-31-17

1. Complete rough plumbing updates.
2. Pull gas and plumbing permits and turn on gas and water, begin rough plumbing updates and repairs and replacement of hot water heater.
3. Replace heating system.
4. Complete rough electrical.
5. Complete interior carpentry, including replacing doors and fixing enclosed side porch.
6. Complete patching and paint prep.
7. Complete renovations to 1st floor bathroom.

5-31-17

8. Preform and complete all interior painting.
9. Rebuild and repair exterior porches.

6-31-17

10. Finish plumbing and electrical work
11. Install new carpet
12. Touch ups
13. Cleaning and make ready
14. Final inspections and close all permits.

6-31-17 Completion Goal

Costs: Costs for the period of 1-19-2017 thru 3/23/2017 are itemized in attached invoice 19772 for \$6968.22. Previous invoice # 19745 for \$1923.75. **The total documented to date is \$8891.97.** It should be noted that due to the periodicity of our billing cycle this does not reflect the labor and materials for the interior work done in the past two weeks. We estimate the value of that work to be between \$5000 and \$7000.

Representative photos, certificate of insurance, and supporting documentation is attached.

Work completed during report period

Update to estimated Project completion date

Estimated work (30 days out)

Estimated work (60 days out)

Summarize lien amount for (1) Prior Reporting Period, (2) Current Reporting Period, (3) Total Asserted Lien

Before/After Photos documenting progress

Copies of all Reports

- *Copies of report must be sent to all parties in the Receivership action, including any mortgagees or lienors each time any report is filed with the court in this matter*
- *Each report must be accompanied by a certificate of service documenting that the reports have been forwarded to all parties*

CERTIFICATE OF SERVICE

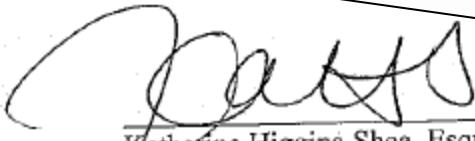
I hereby certify that I caused a copy of the within document to be mailed by first class mail:

Attorney Paul Payer
Associate City Solicitor
20 Korean Veterans Plaza, Room 204
Holyoke, MA 01040

HSBC Bank, USA, N.A., as Trustee on behalf of ACE
Equity Loan Trust, Series 2006-OP-1
c/o Attorney Vanessa V. Pisano
Hinshaw & Culbertson LLP
28 State Street, 24th floor
Boston, MA 02109

HSBC Bank, USA, N.A., as Trustee on behalf of ACE
Equity Loan Trust, Series 2006-OP-1
c/o Ocwen Loan Servicing, LLC
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409

on this 17 day of January, 2017.


Katharine Higgins-Shea, Esquire

COMMONWEALTH OF MASSACHUSETTS
WESTERN DIVISION, SS.

HOUSING COURT
DEPARTMENT OF
THE TRIAL COURT
CIVIL ACTION
No. 16-CV- 502

CITY OF HOLYOKE,

Plaintiff

v.

HSBC BANK USA, N.A., AS TRUSTEE FOR
ACE SECURITIES CORPORATION HOME
EQUITY LOAN TRUST, SERIES 2006-OP-1,
Defendants

Re: Premises: 157-159 Oak Street, Massachusetts

Now comes the Receiver, AJN Rentals, LLC, and files this report on the activities and expenses of the Receiver for the property located at 157-159 Oak Street in Holyoke, Massachusetts. The Reporting Period is from November 22, 2016 to January 13, 2017. The Receiver incurred \$18,371.15 in costs and expenses during the prior Reporting Period. The Receiver has incurred \$31,196.48 during this Reporting Period. The total asserted lien through November 21, 2016 is \$49,567.63. Included with this report are the following:

1. Report of the Receiver (attached as Exhibit 1)
2. General Ledger of Income and Expenses (attached as Exhibit 2).
3. Invoices for Services, Supplies and Materials for rehabilitation (attached as Exhibit 3).

First Report

- Pursuant to the Western Division Housing Court's Order for Appointment of a Receiver, the First Report must include:
 - A detailed list of repairs performed to date and the repairs to be completed during the eight (8) weeks following the report date
 - The Receiver shall also forthwith determine what outstanding Real Estate Taxes are due to the City and shall include that information in its first report
 - **Motion to Approve a Rehabilitation Plan** should be filed at the same time as your first receiver report.
 - Report and Motion for Rehabilitation Plan must include detailed list of what repairs need to be performed, along with a schedule prioritizing the order in which such repairs shall be completed.

Rehabilitation Plan: Schedule of Fees

- All fees that will be charged towards the receivership should be itemized for approval in the Motion to Approve a Rehabilitation plan.
 - Maintenance Fees
 - Project Management Fees
 - Rental Fees
 - Snow/ice removal
 - Site visit fees
 - Attorneys Fees
 - Estimated Auction and Publication costs
 - Property Insurance

Amending a Rehab Plan

- You have an approved rehabilitation plan but during the rehab you discover unexpected expenditures that you did not originally anticipate. **Don't worry**...Just file a motion to Amend the Rehabilitation Plan!

- * Illegal dumping
- * Extra security due to break-ins
- * Replacing a roof instead of repairing it
- * Gas line repair/installation
- * Unknown water/sewer damage
- Lead paint
- Asbestos
- Oil tanks
- Termite damage
- Replacing an HVAC system instead of repairing it

Amending a Rehab Plan

Rehabilitation Plan Amendments for

33 Lorimer Street, Springfield, MA

During the rehabilitation, the Receiver has encountered a few problems that were not included in its original Rehabilitation Plan. They are the following:

Termite Damage: The termite problem was discovered after the basement walls were removed. The support beam on the corner of the basement was damaged and maze-like termite tunnels were discovered. Need to order termite treatment and to rebuild the support beam.

Estimated Cost: \$ 1,800.00

Asbestos: A couple sections of the asbestos wrapped pipes were loose. It is more cost effective to remove the asbestos versus having the asbestos covering repaired by licensed technician.

Estimated Cost: \$ 1,500.00

Oil Tank: Since the defective oil heating system will be changed to a natural gas fired system, the oil tank needs to be removed to meet code.

Estimated Cost: \$ 950.00

Storm Windows: 11 storm windows are damaged and do not operate easily. They need to be replaced. New window frames will need to be constructed to fit the new storm windows.

Estimated Cost: \$ 1,635.00

Gutters: During the rehabilitation, I discovered the rain water always drains to the basement due to no gutter system. Need to install gutters to prevent this problem.

Estimated Cost: \$ 1,560.00

Total Estimated Cost of Amendments: \$ 7,445.00

Original Rehabilitation Plan Estimate: \$ 69,925.00*

***Boiler:** In the opinion of the plumber, the old boiler is defective and must be replaced. It will be replaced by a natural gas fired boiler. The original plan had a range of \$64,225.00 to \$69,925.00 depending on whether the boiler was replaced.

TOTAL AMENDED REHABILITATION ESTIMATE: \$ 77,370.00*

(* does not include attorneys fees, insurance, utilities and costs associated with foreclosing on Receiver's lien)



Receiver Review Orders

- Properties in receivership will be reviewed approximately **EVERY 8 WEEKS**. These reviews will be conducted before the Court and result in an Interim Order after each review.
- You and your attorney **must** be prepared to answer the following questions every time you are in court for a review.

73 – 75 Belvidere, Ave.



Before



After

Receiver Review Orders

140 Beech Street



Before



After

- What date were you appointed to be the receiver?
- Is the property vacant or occupied?
- How many units does the property include?

Receiver Review Orders

- If applicable, who are the lienholders, did you give notice to the lienholder of the receivership and any subsequent pleadings?
- What date did you file proof of insurance? Is the insurance still in full force and effect?

157 – 159 Oak Street



Before



After

Receiver Review Orders

65 Waldo Street



Before



Currently In Progress

- When was the rehabilitation plan approved?
- How much was the rehabilitation plan approved for?
- Has the rehabilitation plan been amended?
- What is the estimated completion date of the rehabilitation?

Receiver Review Orders

- What was the date of the last receiver report that you filed?
- What is the asserted lien amount to date?
- What repairs will be completed by the next 8 weeks?

235 Oak Street



Before



After

SAMPLE ORDERS

COMMONWEALTH OF MASSACHUSETTS

WESTERN DIVISION, ss.

HOUSING COURT
DEPARTMENT OF
THE TRIAL COURT
CIVIL ACTION
No. _____ CV

CITY OF SPRINGFIELD
CODE ENFORCEMENT DEPARTMENT,
HOUSING DIVISION

Plaintiff

v.

Defendant(s)

Premises:

ORDER

After a hearing on _____, for which a representative of the plaintiff, and
a representative of the Receiver, _____
appeared and after having been given notice of said hearing of representative of the
Defendant(s) _____

DID/DID NOT appear, the following order is to enter:

1. All parties present state that they are unaware of any bankruptcy action or any other proceedings that would affect the subject property at issue herein. In the alternative, if any party present has knowledge of any bankruptcy action or any proceeding that would affect the subject property at issue they will FORTHWITH notify the plaintiff of said action.
2. The receiver was appointed by this Court after hearing on _____.
3. The subject property is currently vacant/occupied and contains _____ number of dwelling units.

4. The Owner(s) were given notice of the filing of the within petition on _____ by _____. Since that date the owner _____ has appeared in this court on _____. The owner(s) were given notice of the request to appoint a receiver by _____, and failed to appear/appeared and assented to the appointment of a receiver/appeared and the appointment of the receiver was made over the owner(s) objections. Moreover, _____

5. The following lienholders were given notice of the request for a receiver on _____ by certified mail, return receipt requested:

The lienholder _____
_____ have appeared/have failed to appear since that date. Additionally, in accordance with the Order appointing the receiver, the receiver has given notice of the receivership to the following lienholders: _____

SAMPLE ORDERS

6. The receiver has filed proof of insurance with the Court on _____ and the receiver asserts that such insurance is in full force and effect.

7. The receiver shall continue rehabilitation efforts at the property in accordance with the rehabilitation plan approved by this Court on _____. The total cost of the rehab, as set out in the approved rehab plan was estimated to be _____, exclusive of maintenance and legal fees. The Receiver expects to complete the rehabilitation of this property by _____.

8. The receiver's reports are/are not up to date, and the most recent receiver's report was filed with the court and served upon all parties and lienholders on _____. As of that date, the asserted lien amount was \$ _____.

9. The City of Springfield Code Enforcement Department has/has not conducted a re-inspection of the property. The last inspection took place on _____ and the findings were:

10. The Receiver represents that the following work will be completed by the next _____ inspection date:

11. The City will call the receiver or its designated agent approximately one half hour before the inspection at _____.

12. The receiver shall file with the Court and serve upon all parties a copy the receiver's _____ report with a detailed account of funds received and funds expended no later than _____. Copies shall also be sent to any mortgagees or lienors _____ as well as all parties to this action and shall be accompanied by a certificate of service _____ documenting that the reports have been forwarded as called for in the order appoint _____ the receiver to this property.

13. Additionally,

14. A review of the receivership shall be heard on _____ at _____:

RECEIVER REPORTS FROM THE REVIEWERS PERSPECTIVE

What do I do?

- VERIFY EACH AND EVERY EXPENSE LISTED IN A RECEIVER'S REPORT
 - BY WAY OF RECEIPTS, INVOICES, OR COPIES OF CHECKS.
 - TIME SPENT BY HIM OR HIS OWN WORKERS, HE/SHE MUST PROVIDE THE DATES OF SERVICE/HOURLY RATE/TIME SPENT/DESCRIPTION OF SERVICE PROVIDED – AND THEN A GRAND TOTAL.
 - THESE DOCUMENTS SHOULD BE PLACED IN THE ORDER BY WHICH THEY ARE LISTED IN THE ITEMIZED REPORT.
 - THE DOCUMENTS SHOULD BE CLEAR AND EASY TO READ – THE DESCRIPTION OF ITEMS PURCHASED ON AN INVOICE SHOULD NOT BE OBSCURED IN ANY WAY
 - i.e., A COPY OF A REGISTER RECEIPT COVERING THE LIST OF ITEMS PURCHASED)

SUMMARY PAGE

- THE TIME FRAME THE RECEIVER IS REPORTING FOR (FROM WHEN TO WHEN)
- THE AMOUNT OF THE RECEIVER'S LIEN PRIOR TO THE CURRENT REPORT BEING SUBMITTED
- THE AMOUNT OF THE LIEN BEING CLAIMED IN THE CURRENT REPORT
- THE TOTAL LIEN TO DATE

PROTOCOL FOR SUBMITTING RECEIVER REPORTS

- Report needs to be signed
- Report must be submitted by and through their attorney.
- Report needs to be sent to all lienholders and parties, with a certificate of service.
- Report **MUST** be submitted at least 2 weeks prior to next hearing date.

SELECTION PROCESS

- A list of all receiver's is created with a random number generator and shuffled every three months.
- E-mails are sent to the first five receivers on the list.
 - Once selected the receiver will move to the bottom of the list.
 - Remaining four receivers, will be sent a second e-mail on the next available property. Once accepted, the remaining receiver's will be moved to the bottom of the list as well.

The End Game

Attorney Christopher Johnson

Johnson, Scafani & Moriarty

chrisjlaw@comcast.net

413-732-8356

- Receiver's Motion to Enforce Priority Lien and Obtain Order Authorizing Sale of Property
- Order Authorizing Enforcement of Receiver's Priority Lien and Authorizing the Receiver to Sell the Property
- Notice of Sale of Receiver's Real Estate
- Motion to Approve Receiver's Sale and Dissolve Receivership
- Order

Receivership through the Mortgagee's Perspective

Attorney Kurt McHugh

Harmon Law Offices, PC

kmchugh@harmonlaw.com

617-558-8435

Abandoned Housing Initiative



June 7, 2017

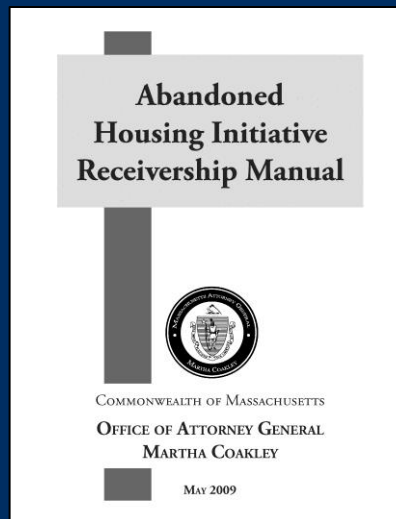


Legal Disclaimer

This brief synopsis is provided for introductory, informational purposes only. It is not legal advice and should not be construed as an attempt to provide a legal opinion about any of the matters discussed herein.

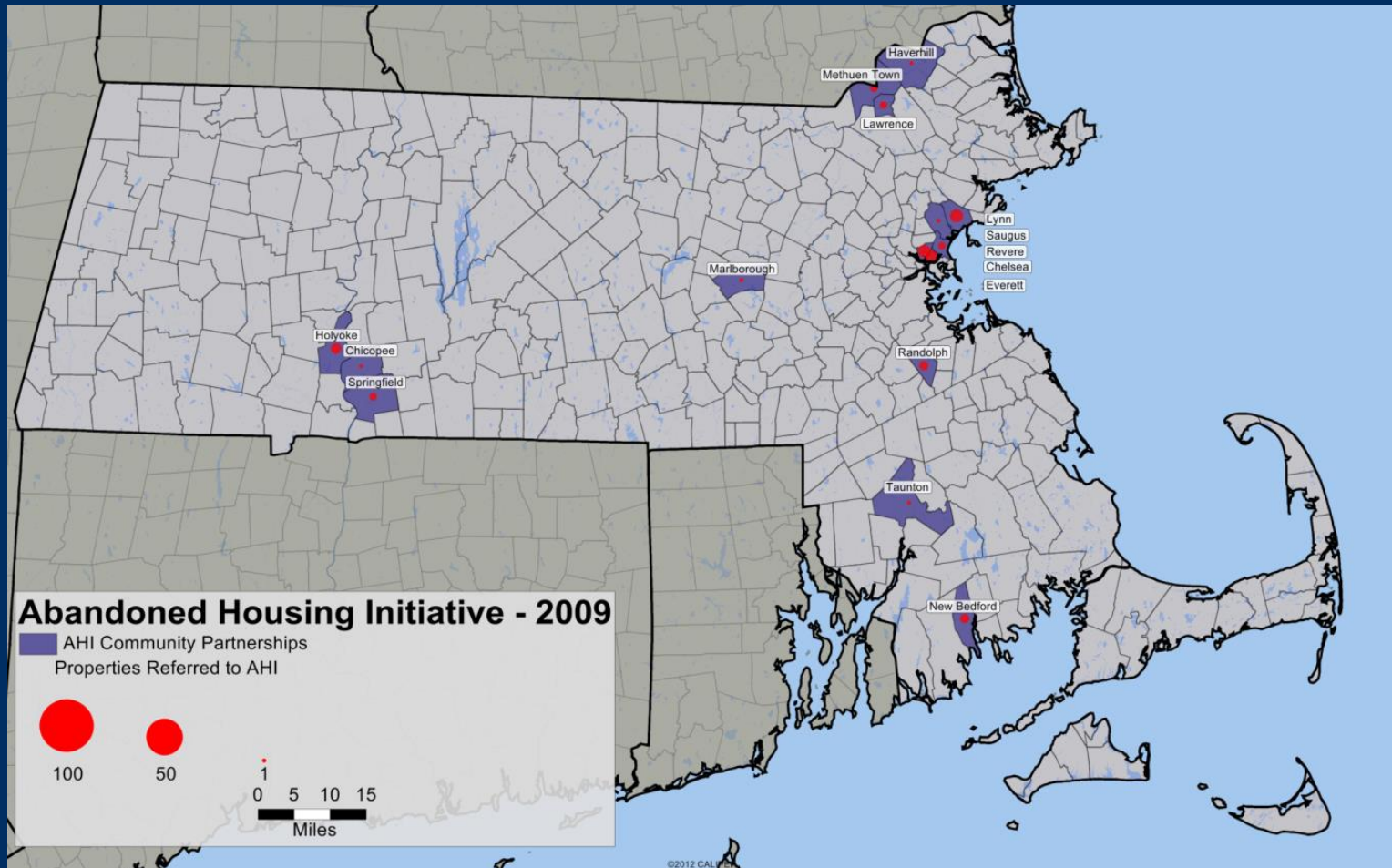


Beginnings of AHI – 2008/2009



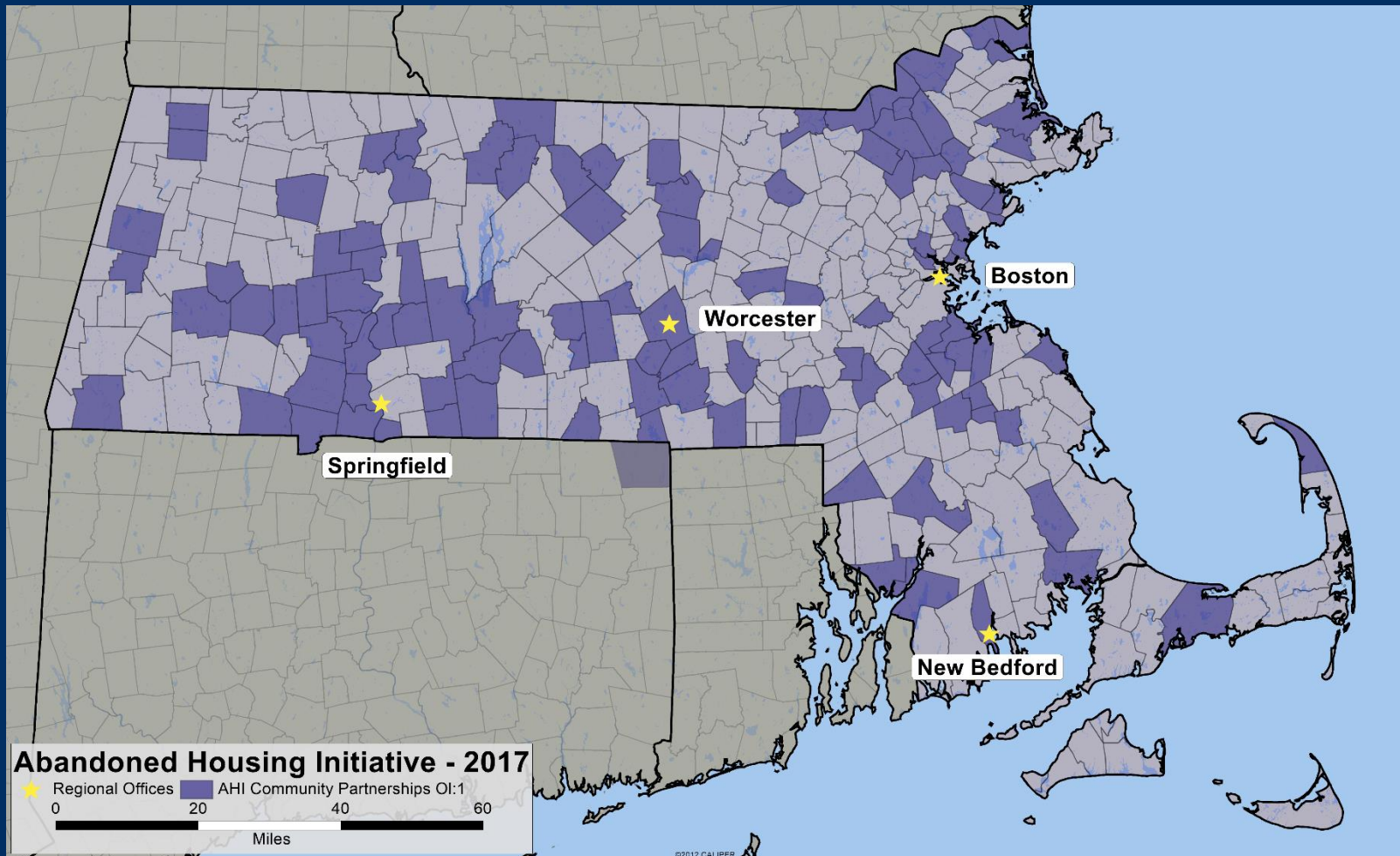


Beginnings of AHI – 2008/2009





Community Partnerships





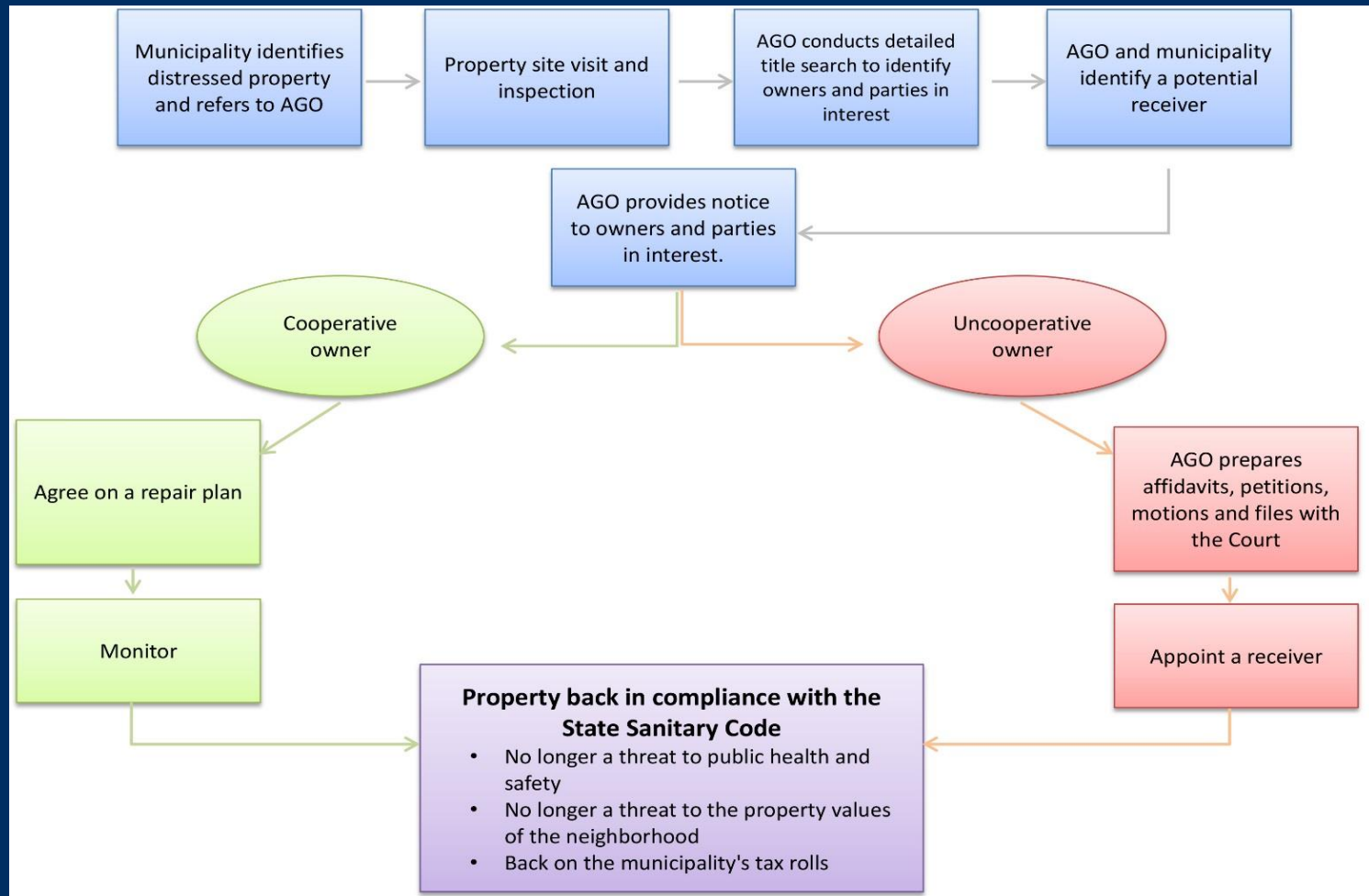
AHI Statewide Effort



- Focus (almost) exclusively on vacant properties
- Partner with municipalities at their request
- Communication with other state agencies
- Grant funding to assist receivership projects



AHI Receivership Process





Receiver Vetting Process



1. Complete AGO AHI Potential Receiver Questionnaire. Can be submitted online at:
www.mass.gov/ago/ahi
2. Investigations team completes a background investigation.
3. Informational meeting with potential receiver and members of AHI team.



Receiver Vetting cont.



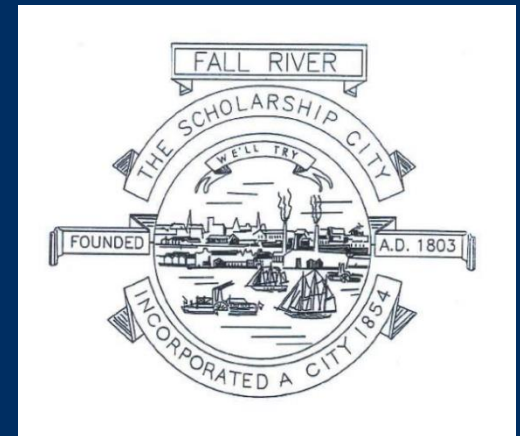
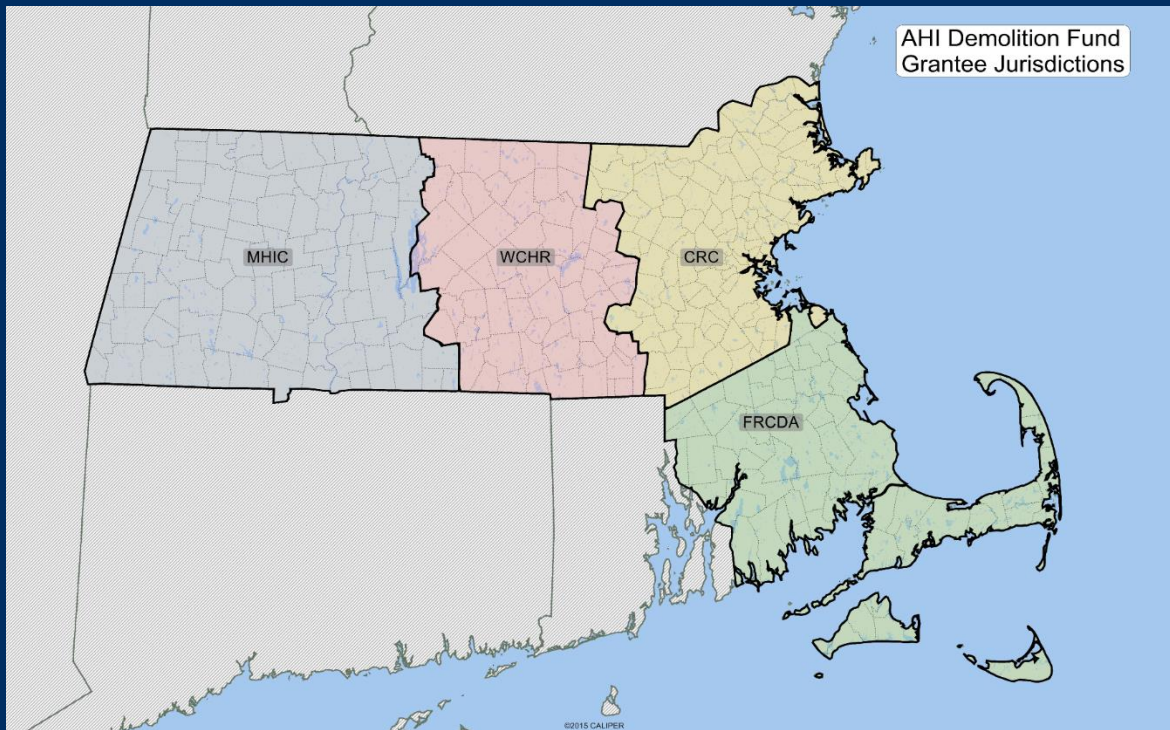
Consider preference of municipality and preference/experience of receiver

Additional receivers needed for Franklin and Berkshire County



AHI Receivership Fund

WORCESTER COMMUNITY HOUSING RESOURCES, INC





For additional information

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- Online at www.state.mass.gov/ago/ahi